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INFO RUCNCIS/CIS COLLECTIVE
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SENSITIVE

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STATE FOR SCA/CEN, DRL, EEB

E.O. 12958: N/A

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SUBJECT: TURKMENISTAN COTTON HARVEST - AN EXPERIMENT IN CAPITALISM

REF: A) ASHGABAT 1115

B) ASHGABAT 1089

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) Summary: During a recent visit to one of Turkmenistan's top producing cotton regions, EmbOff learned that the country is likely to be facing dramatically low cotton yields this year. Surprisingly, the government is turning to the market to address the problem. END SUMMARY.

¶3. (SBU) EmbOff traveled to Dashoguz and Ruhubelent in Dashoguz province October 4 and 5 for meetings with local officials, farmers, and others to learn about the cotton harvest this year. Discussions with farmers and locals about farming conditions in the fields were revealing. They predicted low yields this year as a result of low precipitation and poor farming methods. The 2006/2007 season saw a blistering hot summer with record-breaking temperatures above 115 Celsius and little to no snowfall the previous winter. In addition, the Government planted low-grade, short-stem cotton in rows too narrow for machine picking. Likewise, the low-grade cotton produced leafy bolls that can only be picked by hand.

¶4. (SBU) The government, powerless to change the weather, is taking positive, open-market steps to increase future yields. Cotton buyers for the government are paying five times more per kilogram beginning this year. The provincial government has already announced plans to increase farming privatization with land give-aways and low-interest loans. (NOTE: The land give-away refers to allowing people to use a limited amount of land for private activity. There is no fee simple ownership of land. END NOTE.)

THE ANSWER TO LOW COTTON YIELDS - RUHUBELENT

¶5. (SBU) These 'experimental' changes in policy are being

implemented in a sub-region of Dashoguz, Ruhubelent. In what turned out to be a six-hour visit (including a three-hour vodka party), new Ruhubelent Mayor Sapargeldi Tumayew explained his future plans for his sandy desert city. Created in April 2007 and inaugurated by President Berdimuhamedov, Ruhubelent consists of five or six semi-finished buildings, miles of sand, and perhaps a dozen residents, including the mayor and his staff aides. According to the mayor's blueprints, Ruhubelent will become a virtual oasis in the desert with more than a dozen new buildings, such as a primary and secondary school, cultural center, and sports stadium. The desert will be converted into farmland with water flowing 200+ kilometers from Dashoguz. New inhabitants will be enticed to settle with offers of free land (for private activity) and 1% interest loans for household goods or machinery.

CHILD-LABOR BAN UPHELD

16. (U) Provincial officials seem to be implementing President Berdimuhamedov's ban on child labor in this year's cotton harvest. Although children may help their families with the harvest on their small private plots, we have seen no evidence of forced child labor in the fields (see reftels).

17. (SBU) COMMENT: Despite what one may think about creating a new town in the middle of an uninhabited desert, creating private enterprises, increasing the price for cotton, and developing the rural region are steps in the right direction for improving future cotton yields and the economy in general. END COMMENT.

HOAGLAND